(b) whether it is also a fact that this work has been executed by a prestigious company; and

(c) the total amount bungled and remedial steps Government have taken to prevent such incidents?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The Central Bureau of Investigation (CBI) have registered a case involving ten officers of Tehri Hydro Development Corporation (THDC), for investigation into the alleged irregularities concerning the excavation of Chute spillway of Tehri Dam Project, executed by M/s. Jaiprakash Industries Limited. The investigations are in progress and THDC is providing all relevant records to the CBI.

Recommendation of Godbole Committee on Enron Power Projects at Dabhol

3268. SHRI SURESH PACHOURI: Will the Minister of POWER be pleased to state:

(a) whether the Godbole Committee on Enron Power Project at Dabhol has given its second report;

(b) if so, the details thereof; and

(c) the measures taken by Government to implement the recommendations of Godbole Committee?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The Energy Review Committee headed by Dr. Madhav Godbole was constituted by the Government of Maharashtra. The Committee has submitted its second report to the Government of Maharashtra on 11th July, 2001. The second report makes several recommendations regarding reform of the Maharashtra power sector. The recommendations in brief are as follows:

* Distribution regions should not be escrowed prior to privatisation.
* Government of Maharashtra should build consensus around its restructuring strategy.
* The report of the Committee should be published for information of the people as soon as possible.

* Implementation of the 'Maharashtra reform Model' evolved by the Committee (unbundling of Maharashtra State Electricity Board (MSEB) into separate generation companies, transmission company and distribution business).

* Progressive privatisation of distribution.

* Hydro generation stations and Urban plant should be corporatised as a single state owned entity, i.e. Maharashtra Power Corporation Ltd (MPCL).

* Transmission and system coordination services to remain under state ownership.

* Distribution companies should be configured on basis of "concentrated zones". This would eliminate scope of cross-subsidy.

* Second phase of reforms should start with progressive privatisation of distribution companies.

* Pre-dominant non-urban distribution companies should initially remain under state ownership.

* Sale of distribution business and generating companies through competitive bidding.

* Generating companies except for MPCL should progressively be privatised after stabilization of the distribution companies.

* Establishment of a Power Sector Reform Fund.

* As a preparatory step towards the establishment of a bulk market, the Maharashtra Electricity Regulatory Commission (MERC) may consider regulating generation through a regulated cost-based pool, from which the distribution companies can source their power requirements.

* Government of Maharashtra should take steps to vest the MERC with additional powers and increase its financial autonomy.

* MERC to consider multi-year regulation as it reduces not only the regulatory uncertainty but also the regulatory burden and also improves its quality of regulation by staggering the process of tariff application from different distribution companies.

* In order to enable MERC to fulfill its role effectively, various functions listed under Section 22(2) of the Electricity Regulatory Commission's Act, 1998, which include regulation of investment approval and the operation of the power system and issuing of licenses, be entrusted to MERC with immediate effect.

* MSEB to improve the information base so as to provide the MERC with a sufficient basis for embarking on a multi-year regulatory approach.

* MSEB to undertake action to improve its performance to the extent possible (reallocation of employees, reduction of commercial payables, regularization of unauthorized connections).

* Suitable laws to be enacted to give MSEB/Government of Maharashtra powers to penalize the guilty. MSEB to get a study commissioned to determine the energy and peak demand for the next five years.

Any initiative based on the Committee's report is to be taken by the Government of Maharashtra.

Increase in cost due to delay on hydro-electiic projects

†3269. SHRI MANOHAR KANT DHYANI: Will the Minister of POWER be pleased to state:

(a) whether Government have ever given its attention towards the matter of delay of hydro-electiic projects and manifold increase in their proposed costs as a result thereof; and

(b) whether Government are aware of the fact that due to role of some vested interests the cost of Tehri Dam project have touched the figure of Rs. 6000 crores from Rs. 200 crores during the period of 30 years?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) With the object of minimizing cost and time overruns of Hydro-electric Projects, Government has introduced from June, 2001, a policy of 3-stage development of new Central sector Hydro-electric Projects. Under Stage-I, activities leading to formulation of pre-feasibility report for assessment of commercial viability of the Project are envisaged. Stage-II relates to preparation of detailed project report, acquisition of land for project construction area, obtaining of requisite clearances and pre-construction activities including infrastructure. Actual construction of the project is envisaged in Stage-Ill.

†Original notice of the Question was received in Hindi.